

B.C. LAWYERS' COMPULSORY PROFESSIONAL LIABILITY INSURANCE

2003 ENDORSEMENT NO. 2

**ATTACHED TO AND FORMING PART OF POLICY NO. LPL 03-01-01
(formerly Policy No. LPL 02-01-01)**

INSURER:

THE LSBC CAPTIVE INSURANCE COMPANY LTD.

In consideration of the premium paid, it is hereby understood and agreed that the following amendments are made to this policy effective July 1, 2003:

1. The following change is made to the Definitions:

The following definition of **Reciprocal Jurisdiction** is added: "**Reciprocal Jurisdiction** means: the province or territory of a reciprocating governing body as defined in Rule 2.10.1 of the **Law Society Rules**."

2. The following change is made to the Insuring Agreements:

The following is added as Insuring Agreement 3.7:

"3.7 Where the closest and most real connection to a **claim** or potential **claim** is with a **Reciprocal Jurisdiction**, and the scope of coverage provided by the **Reciprocal Jurisdiction's** compulsory lawyers professional liability insurance (the "**Reciprocal Jurisdiction's** policy") is broader than that provided by this policy, then we shall provide the same scope of coverage as that of the **Reciprocal Jurisdiction's** policy. For clarity, however, all **claims** and potential **claims** reported under this policy shall remain subject to the limits of liability stated in Condition 1 and the Declarations of this policy.

The determination of whether a **Reciprocal Jurisdiction** has the closest and most real connection to a **claim** or potential **claim** will be made by us, exercising our discretion reasonably, and considering whether at the time you were performing the **professional services** giving rise to the **claim**:

- a. you were practising the law of a **Reciprocal Jurisdiction**;
- b. you were performing the **professional services** in a **Reciprocal Jurisdiction**;
- c. your client was in a **Reciprocal Jurisdiction**; and
- d. the subject matter of the **professional services** was located in or emanated from a **Reciprocal Jurisdiction**.

We will also consider where the proceedings, if any, to advance the **claim** are or are likely to be brought.

INSURANCE POLICIES

This Insuring Agreement applies only if, at the time the **Individual Insured** was performing the **professional services** giving rise to a **claim**, the **Individual Insured** was practising law in accordance with the inter-jurisdictional practice provisions of the Rules of the **Law Society** and the **Reciprocal Jurisdiction's** law society.”

3. The following changes are made to Conditions:

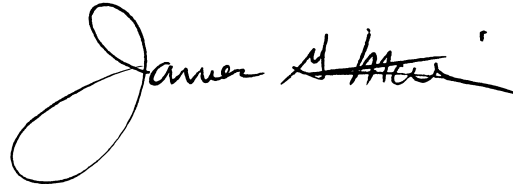
Condition 8.3 is deleted in its entirety and is replaced with the following:

“8.3 If you or any non-**member** lawyer practising in your law firm has lawyers professional liability insurance (other than insurance specifically arranged to apply as excess insurance over the insurance provided by this or any other Canadian jurisdiction's policy) under another Canadian jurisdiction's policy (or Canadian jurisdictions' policies) that applies to a **claim** covered by this policy, the total amount of insurance provided under these policies, together, will not exceed the total value of the **claim** or the most that is available under either (any one) of these policies alone, whichever is less. The decision as to which of these policies shall respond, or as to any allocation between (or amongst) the policies, shall be made by us together with the other Canadian jurisdiction, and you agree to be bound by the decision. For clarity, a **Reciprocal Jurisdiction** is also a Canadian jurisdiction.”

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Dated this 24th day of June, 2003.

The LSBC Captive Insurance Company Ltd.



James G. Matkin, QC, President